

Iowa Lottery Background Checks Kaizen Report Out

“Change Agents”

June 9 - 13, 2008

Why did we do this?

Steve King

The “Change Agents” Team

Ken Moon



Team Members

Ken Moon

Team leader

Sub-team leader

Consultant

■ **Members**

Mike Rohlf, DOM

Marci Tooman, ILOT

Gerry Meyers, Guidon

Mike Motsinger, DCI

Mark Ludwick, DCI

Steve King, ILOT

Joe Hrdlicka, ILOT

Larry Loss, ILOT

Ken Moon, ILOT

Brenda Loy, ILOT

Mary Neubauer, ILOT

John Ellison, ILOT

Sally Robson, ILOT

Kristin Ensign, AAG

Scope

Joe Hrdlicka

- The focus will be from the time the RFP is released to when the recommendation is presented to the board and the DCI presents its findings.

Objectives

Joe Hrdlicka

- Define the scope of background investigations as part of major procurements in compliance with Iowa Code section 99G.22.
- Maximize the number of vendors/bidders involved or responding to bids for our major procurements.
- Streamline the RFP evaluation process as it relates to the background investigation.
- Identify changes, if any, necessary to the background investigation process.

Goals

Joe Hrdlicka

- Background investigation process (cost, scope or time they spend completing the background investigation) does not prevent eligible companies from bidding.
- Cost savings on two fronts: 1-minimize cost to bidders in the RFP process; 2-to achieve maximum competition among bidders in the RFP process and therefore hopefully produce the most competitive bid.

Kaizen Methodology

Mike Rohlf

- Clear objectives
- Team process
- Tight focus on time
- Quick & simple
- Necessary resources immediately available
- Immediate results (new process designed by end of week)
- 5S “mindset”, use the steps to support the event activities

Current Process

Larry Loss



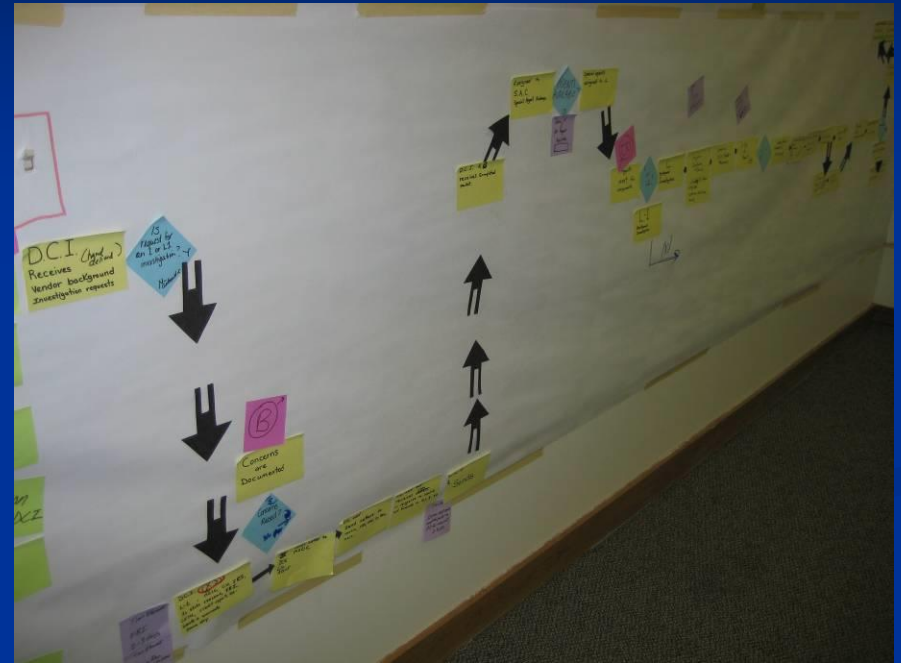
Brainstorming

John Ellison

- Copy RFP and Mail RFP (email only)
- RFP committee review questions
- Purchasing agent receives questions (email)
- Background all companies?
- Electronic delivery of RFP to vendors
- Shorten question development time for bidders
- Encourage more companies to bid

New Process

Mary Neubauer



Results

Brenda Loy

	Current Process	New Process	% of Change	
# of Steps	159	106	33%	
# of Hand offs	33	20	39%	
# of Decisions	19	11	42%	
# Value Added Steps	4	4	0	
Delays best case	68 business days	62 business days	9%	
Delays worst case	128 business days	110 business days	14%	
Lead time-best case	173 days	125 days	28%	
Lead time-worst case	217 days	265 days	18%	
DCI FTE's	18	6	66%	
Vendor \$	\$75,000	\$25,000	66%	

Rollout/Communication Plan

Sally Robson

Item	Communication	Person Responsible	By when:
1	Introductory employee notice	Joe H.	6/13
2	Communicate Kaizen results to Ken & Tammy (CEO and Purchasing agent)	Marci and Larry	7/12
3	Formal communication to Board and DCI of new plan	Mary and Ken	8/12
4	Informal presentation to Board	Change Agents	6/13
5	Written summary report to all employees on new plan	Joe H.	7/1
6	Written report to Governor's office	Ken and Mary	6/30
7	Follow up meeting with DCI and Lottery Reps	Mike, Charis, John, Mary	7/10

Homework

Mike Motsinger

Item	Item Description	Person Responsible	Due Date
1	Electronic Communication	Marci/Larry	7/14
2	Give instructions on delivering trade journal info electronically to purchasing agent	Marci/Larry	7/14
3	Vendors send confirmation of email receipt of RFP	Marci/Larry	7/14
4	Shortened timeframe to be included in RFP language	Marci/Larry	7/14
5	Vendor questions in Word- provide instructions regarding change in RFP	Marci/Larry	7/14
14 6	Answers to vendors via email & website included in RFP	Marci/Larry	7/14

Homework

Item	Item Description	Person Responsible	Due Date
7	Email vendors regarding any minor deficiencies included in RFP	Marci/Larry	7/14
8	Deliver background to DCI-instructions for review, but not to proceed	John	7/14
9	RFP into a PDF-investigate software requirements	Tammy	7/14
10	Board member notification-vendor recommendation without Board action	Mary	6/13
11	Review L and L1 forms	John (DCI, Lottery members)	9/12/08
12	Discuss “sensitive” & “non-sensitive” investigations	John	9/12/08

Homework

Item	Item Description	Person Responsible	Due Date
13	Define “sensitive” & “non-sensitive” investigations	John	9/12/08
14	Uniform NASPL background investigation forms	CEO	9/30/08
15			
16			
17			
18			

Team Member's Experience

Kristin Ensign
Joe Hrdlicka

Comments:

**Mike Rohlf,
Lean Enterprise Administrator**

Comments:

Gerry Meyers
Guidon

**We welcome your
questions and comments!**